

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE MOTION OF COLUMBIA GAS OF)	
KENTUCKY, INC., FOR AN ORDER)	
REQUIRING THE COMMISSION TO)	
EXTEND THE SURCHARGE ADDED TO)	CASE NO. 9225
THE RATES AND CHARGES OF)	
PHELPS GAS COMPANY)	

O R D E R

On February 14, 1985, the Commission issued an Order in this Case granting an extension of the surcharge of Phelps Gas Company ("Phelps") as requested by Columbia Gas of Kentucky, Inc. ("Columbia"). By letter dated April 22, 1985, Phelps informed the Commission that it had not placed the surcharge into effect as required and sought permission to employ an alternate payment plan that would not require a surcharge.

On May 10, 1985, the Commission received written comments from Columbia expressing its willingness to accept Phelps' proposal with some restrictions. Columbia was amenable to Phelps' proposal if the total arrearage could be eliminated by September 30, 1985; otherwise Columbia wanted the surcharge reinstated.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) The terms of the Commission's February 14, 1985, Order should be suspended to the extent that the surcharge should be stayed until September 30, 1985.

(2) Phelps should continue its alternate payment plan to discharge its obligation to Columbia.

(3) A review of Phelps' payment plan is in order and a hearing should be conducted to investigate the payment status. The Commission may authorize continued payments, reinstitute the previously authorized surcharge or consider an alternate surcharge. Such matters will be examined at a hearing in this matter.

IT IS THEREFORE ORDERED that Phelps' previously authorized surcharge shall be removed from customers' bills until September 30, 1985.

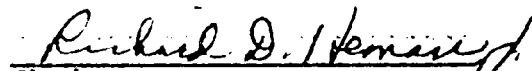
IT IS FURTHER ORDERED that Phelps shall endeavor to make full restitution with Columbia.

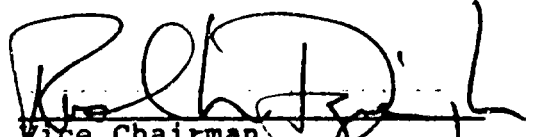
IT IS FURTHER ORDERED that a hearing will be convened at 10:00 a.m., Eastern Daylight Time, on September 5, 1985, at the Commission's offices in Frankfort, Kentucky, to review Phelps' payment efforts.

IT IS FURTHER ORDERED that on or before September 3, 1985, Phelps shall file with this Commission copies of invoices from and payments to Columbia for the period from January 1, 1985, to August 31, 1985, and a statement showing the outstanding balance.

Done at Frankfort, Kentucky, this 7th day of June, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Secretary